



United States Fish & Wildlife Service

DO NOT REPLY TO THIS ADDRESS - SEE MESSAGE FOR CONTACT INFO!

Memorandum

01/07/2004

From Director
Title Implementation of Activity-Based
Costing/Management - January 2004

On January 16, 2002, Deputy Secretary Steven J. Griles issued a memorandum outlining the Department-wide Activity Based Costing (ABC) implementation in each bureau. Since then, the Fish and Wildlife Service has designed an Activity Based Cost/Management System (ABC/M) that meets the requirements of the Department and supports decision-making within the Service. Over the past year, we have successfully completed ABC/M implementation in each Region and developed a standard set of FWS work activities and definitions. With our initial ABC/M framework in place, we are now positioned to implement Activity Based Cost/Management in the Fish and Wildlife Service in January 2004.

I would like to let you know that this is not my first time implementing ABC/M; I implemented ABC/M in two State agencies. From my experience, ABC is a simple concept. Resources are consumed by activities and activities are consumed by products and services. In other words, ABC/M translates costs such as pay and benefits, travel, and contracts into work activity and output costs. This process will provide FWS leadership, programs, and field managers with valuable new insight into the work performed and the effort involved. Since all of our work activities help support the Service's mission, ABC information will be used to help determine what resources are needed for the Service and Department to achieve their goals.

Beginning the first full pay period in January, 2004 (startup on Jan. 11th), FWS employees will no longer simply record the number of hours they spent on the job. Instead, every employee will record the time spent performing the work activities as defined in the ABC Dictionary. It is very important that employees code their time to the activity which most closely relates to what they actually did. ABC will eventually help us communicate with the Department and OMB about the resources truly needed for our work.

In order to code time by activity, a new timesheet has been developed, as well as detailed employee guidance for completing the timesheet. This timesheet will be the official form of record beginning in January, 2004. In addition, video training, will be accessible to all employees and timekeepers via the Strategic Cost and Performance Management website at <http://planning.fws.gov/abc/home.html>. Much more detailed information will be provided in the next couple weeks, well in advance of the first full pay period, but after most people have returned from the Holidays and Use-or-Lose Leave.

We want to be accountable to the American public, not to burden you unnecessarily. As we move forward and implement ABC/M, we will welcome your suggestions on ways to improve our reporting system and demonstrate the results of our hard work. ABC/M can help us show everyone how effective we are in carrying out the important missions entrusted to us.

Thank you again for your assistance in this critical effort. The Assistance Director - Budget, Planning and Human Resources (Planning and Evaluation Staff) will serve as the principal staff contact for this effort. If you have any questions on the development, design, or implementation of ABC/M, please contact Kathy Tynan or Kyle Flanery at 703-358-2088.

Our mission is, working with others, to conserve, protect and enhance fish, wildlife, and plants and their habitats for the continuing benefit of the American people.